

IV. STANDARD OF REVIEW

The Department applies a “public interest” standard of review to evaluate a gas utility's resource options for the acquisition of commodity resources and acquisition of capacity under M.G.L. c. 164, § 94A. *Bay State Gas Company*, D.T.E. 98-79, at 1-2 (1998); *Commonwealth Gas Company*, D.P.U. 94-174A at 27 (1996); *KeySpan Energy Delivery New England*, D.T.E. 04-9 at 10, 19-20 (2004). The Company must show that:

[t]he acquisition (1) is consistent with the company's portfolio objectives, and (2) compares favorably to the range of alternative options reasonably available to the company and its customers, including releasing capacity to customers migrating to transportation. In establishing that a resource is consistent with a company's portfolio objectives, the company may refer to the portfolio objectives established in a recently approved resource plan or in a recent review of its supply contracts under Section 94A, or may describe its objectives in the filing accompanying the resource proposal.

D.T.E. 98-79, at 1-2.

V. ARGUMENT

A. *Bay State Failed To Demonstrate That The Supply and Capacity Acquisition Under The Proposed Agreement Is Consistent with the Company's Portfolio Objectives*

1. Bay State Attempts To Use Outdated Long-range Forecasts To Support the Proposed Agreement

The Department has held that “[t]he company may refer to the portfolio objectives established in a recently approved forecast and requirements plan” to show that the proposed resource acquisition is consistent with the company's portfolio objectives. *See Berkshire Gas Company*, D.T.E. 02-56 (2002); *Bay State Gas Company*, D.T.E. 02-52 (2002); *KeySpan Energy Delivery New England*, D.T.E. 02-54 (2002); *Berkshire Gas Company*, D.T.E. 02-19, at 11 (2002); *Bay State Gas Company*, D.T.E. 98-79 (1998); *Commonwealth Gas Company*, D.P.U. 94-174-A at 27 (1996).